

LOWENSTEIN SANDLER LLP

Michael S. Etkin (*pro hac vice*)
One Lowenstein Drive
Roseland, New Jersey 07068
Telephone: (973) 597-2500
Facsimile: (973) 597-2400
metkin@lowenstein.com

MICHELSON LAW GROUP

Randy Michelson (#114095)
220 Montgomery St, Suite 2100
San Francisco, CA 94104
Telephone: (415) 512-8600
Facsimile: (415) 512-8601
randy.michelson@michelsonlawgroup.com

*Bankruptcy Counsel for the Public Employees
Retirement Association of New Mexico*

Additional Counsel appear on signature page

LABATON SUCHAROW LLP

Thomas A. Dubbs
Louis Gottlieb
Carol C. Villegas
Jeffrey A. Dubbin (#287199)
140 Broadway
New York, NY 10005
Telephone: (212) 907-0700
Facsimile: (212) 818-0477
tdubbs@labaton.com
lgottlieb@labaton.com
cvillegas@labaton.com
jdubbin@labaton.com

*Counsel for the Public Employees
Retirement Association of New Mexico
and Lead Counsel for the Class*

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION

- and -

**PACIFIC GAS & ELECTRIC
COMPANY,**

Debtors.

Bankruptcy Case No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

☒ Affects Both Debtors
☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric
Company

** All papers shall be filed in the lead
case, 19-30088 (DM)*

**RESERVATION OF RIGHTS OF THE
PUBLIC EMPLOYEES RETIREMENT
ASSOCIATION OF NEW MEXICO WITH
RESPECT TO DEBTORS' MOTION TO PAY
THE FEES AND EXPENSES OF SIMPSON
THATCHER & BARTLETT AS COUNSEL
TO THE INDEPENDENT DIRECTORS**

Date: April 24, 2019
Time: 9:30 a.m. (Pacific Time)
Place: United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102

1 The Public Employees Retirement Association of New Mexico (the “Lead Plaintiff”) represents a
2 putative class (the “Class”) asserting claims under the securities laws in the United States District Court for
3 the Northern District of California (San Francisco Division [Civil Action No. 3:18-cv-03509-RS]) (the
4 “Securities Litigation”) against PG&E Corporation and Pacific Gas and Electric Company (the “Debtors”),
5 among others. The claims against the Debtors are currently stayed pursuant to 11 U.S.C. §362. The
6 Securities Litigation also asserts claims against certain non-debtor former directors of PG&E Corporation.

7 On April 2, 2019, Debtors filed a motion (the “Motion”) pursuant to 11 U.S.C. § 363(b) requesting
8 authorization to pay the fees and expenses of Simpson Thatcher & Bartlett LLP as counsel to the
9 independent directors of PG&E Corporation. *See* Dkt. No. 1182. The Motion sets out a list of parties to be
10 notified and given the opportunity to object before such payments are made, including several committees
11 and government entities, and asserts that Debtors are not obligated to provide similar notice to any other
12 parties. *Id.* at 10.

13 While Lead Plaintiff does not object in principle to the proposed payments to Simpson Thatcher by
14 the Debtors, it asks this Court to require that Debtors provide similar advance notice to Lead Counsel of 30
15 days before making any payment to the extent such payment attempts to utilize or may implicate the
16 proceeds of directors and officers insurance policies (“D&O Insurance”) to make, reimburse, or otherwise
17 facilitate payments to Simpson Thatcher or any other counsel retained on behalf of the independent
18 directors.

19 The Debtors’ D&O policies, and the interest of the independent directors in the proceeds of those
20 policies, may provide the primary source of recovery for the Class, which consists of individuals and
21 institutions defrauded by virtue of misrepresentations about the Debtors’ fire safety compliance in advance
22 of the North Bay Fires and the Camp Fire. As such, the Class possesses a strong interest in preventing both
23 unnecessary and undeserved use of the proceeds of the D&O policies.

24 Lead Plaintiff further requests that, in the event it objects to a proposed use of the proceeds of the
25 D&O Insurance, Lead Plaintiff be allowed to submit any objection or other analysis to the Court before such
26 payments to Simpson Thatcher for the limited purpose of objecting to any proposed uses of D&O Insurance
27 proceeds. For instance, Debtors’ proposed order provides its chosen creditors and parties in interest with
28 15 days to review and object to proposed monthly invoices provided by Simpson Thatcher, and that

1 payment for any challenged item will be withheld until resolution by the litigants or the Court. *See* Dkt.
2 # 1182-1, ¶ 4. A similar procedure would prove workable for claims for payment which would involve
3 D&O policy proceeds.

4 Lead Plaintiff, on behalf of itself and the Class, reserves all other rights with respect to its ability to
5 challenge proposals by Debtors that adversely impact its interests.

7 DATED: April 17, 2019

/s/ Michael S Etkin

Michael S. Etkin (*pro hac vice*)
LOWENSTEIN SANDLER LLP
One Lowenstein Drive
Roseland, New Jersey 07068
Telephone: (973) 597-2500
Facsimile: (973) 597-2400
metkin@lowenstein.com

*Bankruptcy Counsel for the Public Employees Retirement
Association of New Mexico*

LABATON SUCHAROW LLP

Thomas A. Dubbs
Louis Gottlieb
Carol C. Villegas
Jeffrey A. Dubbin (#287199)
140 Broadway
New York, NY 10005
Telephone: (212) 907-0700
Facsimile: (212) 818-0477
tdubbs@labaton.com
lgottlieb@labaton.com
cvillegas@labaton.com
jdubbin@labaton.com

*Counsel for the Public Employees Retirement Association
of New Mexico and Lead Counsel for the Class*

MICHELSON LAW GROUP

Randy Michelson (#114095)
220 Montgomery St, Suite 2100
San Francisco, CA 94104
Telephone: (415) 512-8600
Facsimile: (415) 512-8601
randy.michelson@michelsonlawgroup.com

*Bankruptcy Counsel for the Public Employees Retirement
Association of New Mexico*

KERR & WAGSTAFFE LLP
JAMES M. WAGSTAFFE (#95535)
FRANK BUSCH (#258288)
101 Mission Street, 18th Floor
San Francisco, California 94105
Telephone: (415) 371-8500
Facsimile: (415) 371-0500
wagstaffe@kerrwagstaffe.com
busch@kerrwagstaffe.com

Liaison Counsel for the Class